

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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EL PASO MERCHANT ENERGY, L.P.) FE DOCKET NO. 02-26-LNG
_____)

ORDER VACATING LONG-TERM AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1780-A

On May 29, 2002, the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted long-term authorization to El Paso Merchant Energy, L.P. (El Paso Merchant) in DOE/FE Order No. 1780 (Order 1780)^{1/} to import up to 91.25 million MMBtu of liquefied natural gas (LNG) per year over a term of 22 years beginning on the date of first import delivery after June 1, 2002, in accordance with the final Sale and Purchase Agreement between El Paso Merchant and El Paso Global.

On March 14, 2003, El Paso Merchant filed a letter with DOE requesting that FE vacate Order 1780. In December 2002, El Paso Global LNG Company (El Paso Global) agreed to sell to Statoil ASA its interest in the LNG supply contract underlying the long-term authorization granted in Order 1780; in addition, El Paso Merchant agreed to assign and release its capacity rights at the LNG regasification terminal at Cove Point, Maryland to an affiliate of Statoil ASA. As a result of the transfer of interests, the Sale and Purchase Agreement between El Paso Merchant and El Paso Global was

^{1/} 2 FE ¶ 70,747.

never executed. Order 1780 was never activated and El Paso Merchant no longer has any need to import LNG.

Accordingly, pursuant to section 3 of the Natural Gas Act, the authorization to import natural gas granted by Order 1780 is hereby vacated.

Issued in Washington, D.C., on March 21, 2003.

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